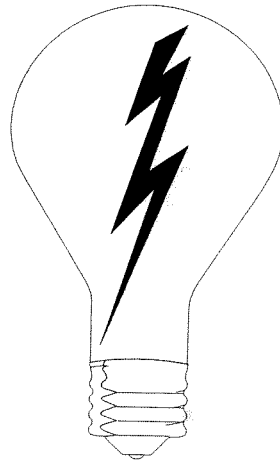


YEAR 2002

ANNUAL REPORT
OF

Black Hills Corporation

ELECTRIC UTILITY



TO THE
PUBLIC SERVICE COMMISSION
STATE OF MONTANA
1701 PROSPECT AVENUE
P.O. BOX 202601
HELENA, MT 59620-2601

IDENTIFICATION

Year: 2002

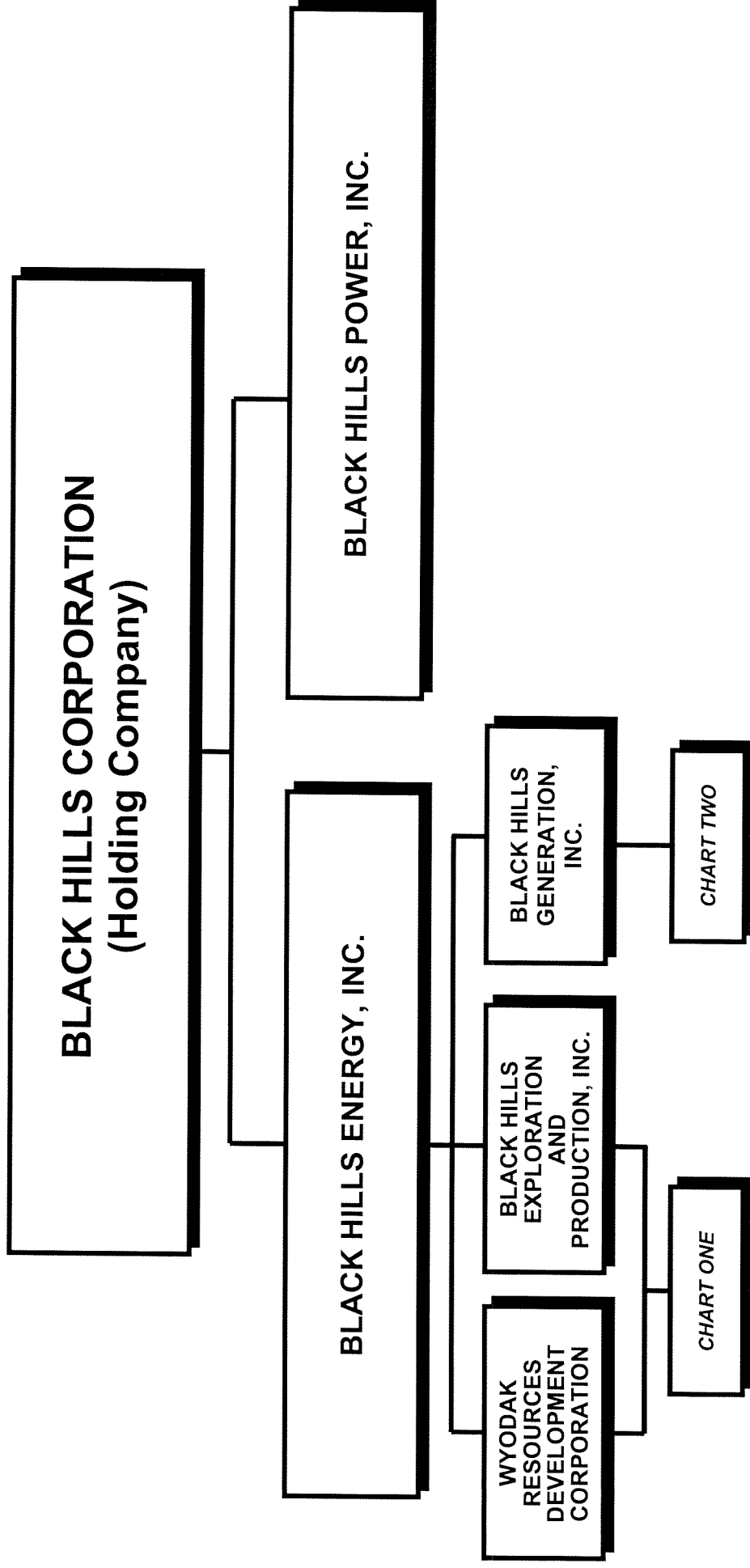
1.	Legal Name of Respondent:	Black Hills Power, Inc.
2.	Name Under Which Respondent Does Business:	Black Hills Power, Inc.
3.	Date Utility Service First Offered in Montana	2/23/1968
4.	Address to send Correspondence Concerning Report:	P. O. Box 1400 625 Ninth Street Rapid City, SD 57709
5.	Person Responsible for This Report:	Roxann Basham, Controller
5a.	Telephone Number:	(605) 721-1700
Control Over Respondent		
1.	If direct control over the respondent was held by another entity at the end of year provide the following:	
1a.	Name and address of the controlling organization or person:	Black Hills Corporation
1b.	Means by which control was held:	Common Stock
1c.	Percent Ownership:	100%

SCHEDULE 2

Board of Directors			
Line No.	Name of Director and Address (City, State)		Remuneration
	(a)		(b)
1	Bruce B. Brundage	Englewood, CO	40,366.68
2	Thomas J. Zeller	Rapid City, SD	37,166.64
3	John R. Howard	Rapid City, SD	48,966.68
4	Everett E. Hoyt *	Rapid City, SD	-
5	Kay S. Jorgensen	Spearfish, SD	41,966.68
6	Daniel P. Landguth *	Rapid City, SD	-
7	David C. Ebertz	Gillette, WY	42,966.68
8	David S. Maney	Lakewood, CO	37,766.64
9	Steven J. Helmers**	Rapid City, SD	-
10			
11			
12			
13			
14	* Officers of the Company -		
15	Not compensated as Directors		
16			
17	** Elected March 27, 2003 to serve on an interim basis until election of an		
18	outside director.		
19			
20			

BLACK HILLS CORPORATION ORGANIZATIONAL CHART

MARCH 31, 2003



BLACK HILLS CORPORATION (Holding Company)

Chart One

MARCH 31, 2003

BLACK HILLS ENERGY, INC.

BLACK HILLS GENERATION, INC.
(Formerly Black Hills Energy Capital,
Inc.) (See Chart Two)

WYODAK RESOURCES DEVELOPMENT
CORP.

BLACK HILLS EXPLORATION AND
PRODUCTION, INC.

Black Hills Energy
Resources, Inc.

Landrica
Development
Company

Black Hills
Wyoming, Inc.
(Formerly Black Hills
Generation, Inc.)

DAKSOFI, Inc.

Black Hills Fiber
Systems, Inc.

Enserco
Energy Inc.

Mallon Resources
Corporation

Black Hills
Energy
Pipeline, LLC

Black Hills
Millennium
Pipeline, Inc.

Black Hills
EnergyTerminal,
LLC

Black Hills
Millennium
Terminal,
Inc.

Black Hills
Operating
Company, LLC

Black Hills
Kilgore Energy
Pipeline, LLC

Black Hills
Kilgore
Pipeline,
Inc.

Black Hills
FiberCom, LLC

Varifuel, LLC

Mallon Oil
Company

Millennium
Pipeline
Company, L.P.

Millennium
Terminal
Company, L.P.

Black Hills
Kilgore
Pipeline
Company, L.P.

CHART TWO
MARCH 31, 2003



BLACK HILLS CORPORATION

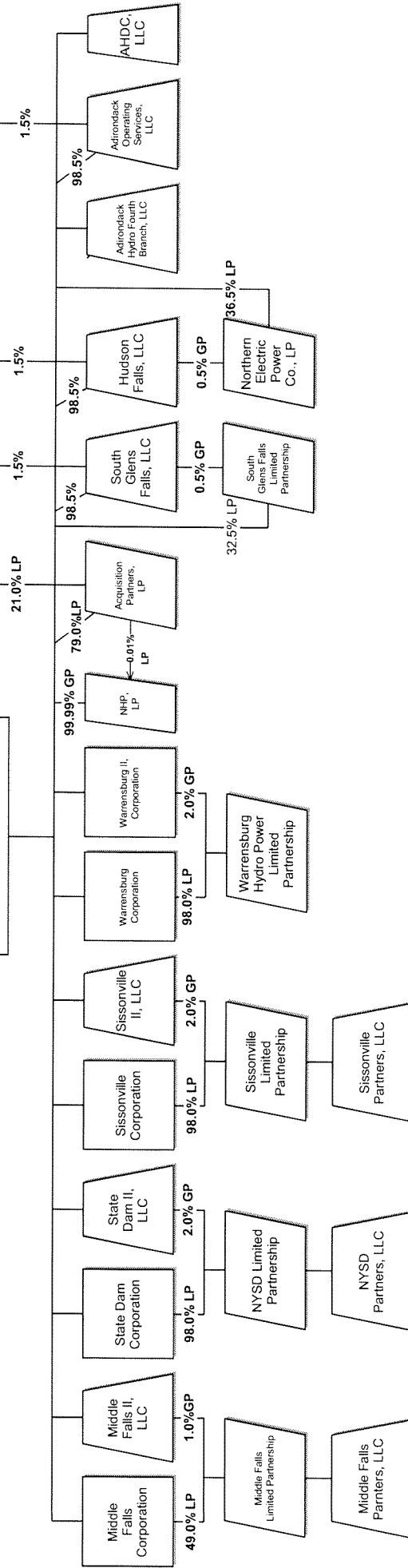
Chart Three

MARCH 31, 2003

BLACK HILLS ENERGY, INC.

BLACK HILLS GENERATION, INC.

Adirondack Hydro Development Corporation



Officers

Year: 2002

Line No.	Title of Officer (a)	Department Supervised (b)	Name (c)
1	Chairman of the Board and		Daniel P. Landguth
2	CEO		
3			
4	President and COO		Everett E. Hoyt
5			
6	Sr. Vice-President and		Mark T. Thies
7	Chief Financial Officer		
8			
9			
10	President and		Thomas M. Ohlmacher
11	COO Integrated Energy		
12			
13	Vice-President - Controller,		Roxann R. Basham
14	Principal Accounting Officer		
15	and Assistant Secretary		
16			
17	Sr. Vice President		James M. Mattern
18	Corporate Administration		
19			
20	V.P. - Fuel Resources		David R. Emery
21			
22	V.P. - Corporate Affairs		Kyle D. White
23			
24	General Counsel and		Steven J. Helmers
25	Corporate Secretary		
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CORPORATE STRUCTURE

Year: 2002

	Subsidiary/Company Name		Line of Business	Earnings	Percent of Total
1	Black Hills Power, Inc.		Electric Utility	30,216,556	73.38%
2	Black Hills Energy Capital, Inc.*		Independent Power	10,960,803	26.62%
3	(Now known as Black Hills Generation)	1			
4		1			
5	Adirondack Hydro Development Corp.	1			
6	EIF Investors, Inc.	1			
7	Black Hills High Desert, Inc.	1			
8	Black Hills Berkshire, LLC	1			
9	Black Hills Capital Development, Inc.	1			
10	North American Funding LLC	1			
11	Black Hills Idaho Operations, LLC	1			
12	Black Hills North America, Inc.	1			
13	Black Hills Independent Power Fund, Inc.	1			
14	Black Hills Independent Power Fund II, Inc.	1			
15	Indeck North American Power Partners, LP	1			
16	South Glens Falls, LLC	1			
17	Black Hills Valmont Colorado, Inc.	1			
18	Black Hills Colorado, LLC	1			
19	Hudson Falls, LLC	1			
20	Warrensburg Hydro Power Limited Partnership	1			
21	AHDC, LLC	1			
22	Middle Falls Corporation	1			
23	Warrensburg Corporation	1			
24	Warrensburg II Corporation	1			
25	Adirondack Hydro-Fourth Branch, LLC	1			
26	Adirondack Operating Services, LLC	1			
27	Middle Falls II, LLC	1			
28	Sissonville Corporation	1			
29	Sissonville II, LLC	1			
30	State Dam Corporation	1			
31	State Dam II, LLC	1			
32	Indeck North American Power Fund, LP	1			
33	Black Hills Harbor, LLC	1			
34	Indeck Auburndale, LLC	1			
35	Indeck Gordonsville, LLC	1			
36	Acquisition Partners, LP	1			
37	NHP, LP	1			
38	ICPM, Inc.	1			
39	Sissonville Limited Partners, LLC	1			
40	NYSD Partners, LLC	1			
41	Black Hills Fountain Valley, LLC	1			
42	Black Hills Nevada, LLC	1			
43	Black Hills Southwest, LLC	1			
44	Las Vegas Cogeneration II, LLC	1			
45	Sunco Ltd., LLC	1			
46	Black Hills Nevada Real Estate Holdings, LLC	1			
47	E-Next A Equipment Leasing Company, LLC	1			
48	Black Hills Nevada Operations, LLC				
49	Black Hills Long Beach, Inc.	1			
50				\$ 41,177,359	

CORPORATE STRUCTURE

Year: 2002

	Subsidiary/Company Name		Line of Business	Earnings	Percent of Total
	Las Vegas Cogeneration				
	Energy Financing Company, LLC	1			
	Fountain Valley Power, LLC	1			
	Harbor Cogeneration Company	1			
	Sissonville Limited Partnership	1			
	NYSD Limited Partnership	1			
	Indeck Pepperell Power Associates, Inc.	1			
1					
2					
3	*Now known as Black Hills Generation, Inc.				
4					
5	Note 1 - Wholly-owned direct and indirect				
6	subsidiaries of				
7	Black Hills Energy Capital, Inc.				
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42	TOTAL				

CORPORATE ALLOCATIONS

Year: 2002

	Items Allocated	Classification	Allocation Method	\$ to MT Utility	MT %	\$ to Other
1	Not Significant to Montana Operations					
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34	TOTAL					

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY Year: 2002

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Utility	(e) % Total Affil. Revs.	(f) Charges to MT Utility
1	Wyodak Resources	Coal sales to Utility	Fair Market Value (Based on similar arms-length transactions)	10,524,227	33.60%	46,729
2	Development Corp.					
3						
4	Enserco Energy, Inc.	Gas sales to Utility	Fair Market Value (Based on similar arms-length transactions)	3,447,717	0.50%	15,308
5						
6						
7	Black Hills FiberCom LLC	Telephone service	Fair Market Value (Based on similar arms-length transactions)	16,339		79
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32	TOTAL			13,988,283		62,116

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY Year: 2002

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	Wyodak Resources	Electricity	Wyoming Industrial Rate	690,741	100.00%	
2	Development Corp.	Electricity	South Dakota Commercial Rate	322,782	100.00%	
3						
4	FiberCom LLC					
5						
6						
7	Black Hills Generation	Transmission Service	Firm Point-to-Point Open Access Transmission Tariff	227,152	100.00%	
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32	TOTAL			1,240,675		

MONTANA UTILITY INCOME STATEMENT*

Year: 2002

	Account Number & Title	Last Year	This Year	% Change
1	400 Operating Revenues	213,209,493	162,185,957	-23.93%
2				
3	Operating Expenses			
4	401 Operation Expenses	98,273,700	71,561,762	-27.18%
5	402 Maintenance Expense	7,863,273	7,556,566	-3.90%
6	403 Depreciation Expense	15,621,647	17,347,576	11.05%
7	404-405 Amortization of Electric Plant			
8	406 Amort. of Plant Acquisition Adjustments	151,404	151,404	
9	407 Amort. of Property Losses, Unrecovered Plant			
10	& Regulatory Study Costs			
11	408.1 Taxes Other Than Income Taxes	7,191,337	7,409,050	3.03%
12	409.1 Income Taxes - Federal	23,680,390	10,826,589	-54.28%
13	- Other			
14	410.1 Provision for Deferred Income Taxes	1,057,840	4,656,740	340.21%
15	411.1 (Less) Provision for Def. Inc. Taxes - Cr.			
16	411.4 Investment Tax Credit Adjustments	(482,770)	(415,957)	13.84%
17	411.6 (Less) Gains from Disposition of Utility Plant			
18	411.7 Losses from Disposition of Utility Plant			
19				
20	TOTAL Utility Operating Expenses	153,356,821	119,093,730	-22.34%
21	NET UTILITY OPERATING INCOME	59,852,672	43,092,227	-28.00%

MONTANA REVENUES

SCHEDULE 9

	Account Number & Title	Last Year	This Year	% Change
1	Sales of Electricity			
2	440 Residential	5,180	5,243	1.22%
3	442 Commercial & Industrial - Small	18,550	18,104	-2.40%
4	Commercial & Industrial - Large	622,802	572,611	-8.06%
5	444 Public Street & Highway Lighting			
6	445 Other Sales to Public Authorities			
7	446 Sales to Railroads & Railways			
8	448 Interdepartmental Sales			
9				
10	TOTAL Sales to Ultimate Consumers	646,532	595,958	-7.82%
11	447 Sales for Resale			
12				
13	TOTAL Sales of Electricity	646,532	595,958	-7.82%
14	449.1 (Less) Provision for Rate Refunds			
15				
16	TOTAL Revenue Net of Provision for Refunds	646,532	595,958	-7.82%
17	Other Operating Revenues			
18	450 Forfeited Discounts & Late Payment Revenues	20	22	10.00%
19	451 Miscellaneous Service Revenues	30		-100.00%
20	453 Sales of Water & Water Power			
21	454 Rent From Electric Property			
22	455 Interdepartmental Rents			
23	456 Other Electric Revenues			
24				
25	TOTAL Other Operating Revenues	50	22	-56.00%
26	Total Electric Operating Revenues	646,582	595,980	-7.83%

*Total Company Income Statement

MONTANA OPERATION & MAINTENANCE EXPENSES*

Year: 2002

Account Number & Title		Last Year	This Year	% Change
1	Power Production Expenses			
2				
3	Steam Power Generation			
4	Operation			
5	500 Operation Supervision & Engineering	1,462,154	1,615,679	10.50%
6	501 Fuel	14,249,013	13,512,582	-5.17%
7	502 Steam Expenses	2,273,657	2,352,182	3.45%
8	503 Steam from Other Sources			
9	504 (Less) Steam Transferred - Cr.			
10	505 Electric Expenses	766,282	869,052	13.41%
11	506 Miscellaneous Steam Power Expenses	727,605	785,951	8.02%
12	507 Rents			
13				
14	TOTAL Operation - Steam	19,478,711	19,135,446	-1.76%
15	Maintenance			
16				
17	510 Maintenance Supervision & Engineering	284,286	266,494	-6.26%
18	511 Maintenance of Structures	211,704	172,047	-18.73%
19	512 Maintenance of Boiler Plant	2,607,714	2,106,803	-19.21%
20	513 Maintenance of Electric Plant	1,082,970	590,018	-45.52%
21	514 Maintenance of Miscellaneous Steam Plant	1,104,421	476,679	-56.84%
22				
23	TOTAL Maintenance - Steam	5,291,095	3,612,041	-31.73%
24				
25	TOTAL Steam Power Production Expenses	24,769,806	22,747,487	-8.16%
26				
27	Nuclear Power Generation			
28	Operation			
29	517 Operation Supervision & Engineering			
30	518 Nuclear Fuel Expense			
31	519 Coolants & Water			
32	520 Steam Expenses			
33	521 Steam from Other Sources			
34	522 (Less) Steam Transferred - Cr.			
35	523 Electric Expenses			
36	524 Miscellaneous Nuclear Power Expenses			
37	525 Rents			
38				
39	TOTAL Operation - Nuclear			
40				
41	Maintenance			
42	528 Maintenance Supervision & Engineering			
43	529 Maintenance of Structures			
44	530 Maintenance of Reactor Plant Equipment			
45	531 Maintenance of Electric Plant			
46	532 Maintenance of Miscellaneous Nuclear Plant			
47				
48	TOTAL Maintenance - Nuclear			
49				
50	TOTAL Nuclear Power Production Expenses			

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2002

Account Number & Title		Last Year	This Year	% Change
1	Power Production Expenses -continued			
2	Hydraulic Power Generation			
3	Operation			
4	535 Operation Supervision & Engineering			
5	536 Water for Power			
6	537 Hydraulic Expenses			
7	538 Electric Expenses			
8	539 Miscellaneous Hydraulic Power Gen. Expenses			
9	540 Rents			
10				
11	TOTAL Operation - Hydraulic			
12				
13	Maintenance			
14	541 Maintenance Supervision & Engineering			
15	542 Maintenance of Structures			
16	543 Maint. of Reservoirs, Dams & Waterways			
17	544 Maintenance of Electric Plant			
18	545 Maintenance of Miscellaneous Hydro Plant			
19				
20	TOTAL Maintenance - Hydraulic			
21				
22	TOTAL Hydraulic Power Production Expenses			
23				
24	Other Power Generation			
25	Operation			
26	546 Operation Supervision & Engineering	42,746	50,699	18.61%
27	547 Fuel	24,385,241	5,979,373	-75.48%
28	548 Generation Expenses	575,303	408,311	-29.03%
29	549 Miscellaneous Other Power Gen. Expenses	6,070	47,348	680.03%
30	550 Rents	2,983,485	(450,000)	-115.08%
31				
32	TOTAL Operation - Other	27,992,845	6,035,731	-78.44%
33				
34	Maintenance			
35	551 Maintenance Supervision & Engineering	34,905	43,560	24.80%
36	552 Maintenance of Structures	15,048	6,514	-56.71%
37	553 Maintenance of Generating & Electric Plant	755,904	1,956,898	158.88%
38	554 Maintenance of Misc. Other Power Gen. Plant	26,687	8,401	-68.52%
39				
40	TOTAL Maintenance - Other	832,544	2,015,373	142.07%
41				
42	TOTAL Other Power Production Expenses	28,825,389	8,051,104	-72.07%
43				
44	Other Power Supply Expenses			
45	555 Purchased Power	28,712,682	25,900,572	-9.79%
46	556 System Control & Load Dispatching			
47	557 Other Expenses			
48				
49	TOTAL Other Power Supply Expenses	28,712,682	25,900,572	-9.79%
50				
51	TOTAL Power Production Expenses	82,307,877	56,699,163	-31.11%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2002

Account Number & Title		Last Year	This Year	% Change
1	Transmission Expenses			
2	Operation			
3	560 Operation Supervision & Engineering	230,306	206,437	-10.36%
4	561 Load Dispatching	617,893	701,111	13.47%
5	562 Station Expenses	45,760	85,700	87.28%
6	563 Overhead Line Expenses	98,680	50,102	-49.23%
7	564 Underground Line Expenses			
8	565 Transmission of Electricity by Others	2,219,591	1,690,839	-23.82%
9	566 Miscellaneous Transmission Expenses	199,024	166,927	-16.13%
10	567 Rents			
11				
12	TOTAL Operation - Transmission	3,411,254	2,901,116	-14.95%
13	Maintenance			
14	568 Maintenance Supervision & Engineering	37,413	53,676	43.47%
15	569 Maintenance of Structures			
16	570 Maintenance of Station Equipment	75,460	82,378	9.17%
17	571 Maintenance of Overhead Lines	221,444	300,071	35.51%
18	572 Maintenance of Underground Lines			
19	573 Maintenance of Misc. Transmission Plant			
20				
21	TOTAL Maintenance - Transmission	334,317	436,125	30.45%
22				
23	TOTAL Transmission Expenses	3,745,571	3,337,241	-10.90%
24				
25	Distribution Expenses			
26	Operation			
27	580 Operation Supervision & Engineering	544,819	566,865	4.05%
28	581 Load Dispatching	70,432	141,292	100.61%
29	582 Station Expenses	247,069	284,398	15.11%
30	583 Overhead Line Expenses	502,510	556,977	10.84%
31	584 Underground Line Expenses	231,287	210,414	-9.02%
32	585 Street Lighting & Signal System Expenses	853	533	-37.51%
33	586 Meter Expenses	223,294	155,078	-30.55%
34	587 Customer Installations Expenses	33,448	42,197	26.16%
35	588 Miscellaneous Distribution Expenses	328,425	296,862	-9.61%
36	589 Rents	24,600	22,935	-6.77%
37				
38	TOTAL Operation - Distribution	2,206,737	2,277,551	3.21%
39	Maintenance			
40	590 Maintenance Supervision & Engineering	21,208	26,154	23.32%
41	591 Maintenance of Structures			
42	592 Maintenance of Station Equipment	65,118	52,029	-20.10%
43	593 Maintenance of Overhead Lines	813,569	929,742	14.28%
44	594 Maintenance of Underground Lines	104,629	111,071	6.16%
45	595 Maintenance of Line Transformers	12,696	10,481	-17.45%
46	596 Maintenance of Street Lighting, Signal Systems	100,707	82,687	-17.89%
47	597 Maintenance of Meters	33,937	36,255	6.83%
48	598 Maintenance of Miscellaneous Dist. Plant	28,203	31,925	13.20%
49				
50	TOTAL Maintenance - Distribution	1,180,067	1,280,344	8.50%
51				
52	TOTAL Distribution Expenses	3,386,804	3,557,895	5.05%

MONTANA OPERATION & MAINTENANCE EXPENSES

Year: 2002

Account Number & Title		Last Year	This Year	% Change
1	Customer Accounts Expenses			
2	Operation			
3	901 Supervision	84,167	120,661	43.36%
4	902 Meter Reading Expenses	695,438	980,843	41.04%
5	903 Customer Records & Collection Expenses	1,927,013	1,957,965	1.61%
6	904 Uncollectible Accounts Expenses	1,217,136	476,827	-60.82%
7	905 Miscellaneous Customer Accounts Expenses	760,043	1,071,086	40.92%
8				
9	TOTAL Customer Accounts Expenses	4,683,797	4,607,382	-1.63%
10	Customer Service & Information Expenses			
11	Operation			
12	907 Supervision	54,231	62,305	14.89%
13	908 Customer Assistance Expenses	746,674	769,339	3.04%
14	909 Informational & Instructional Adv. Expenses	6,520	6,157	-5.57%
15	910 Miscellaneous Customer Service & Info. Exp.	33,022	37,364	13.15%
16				
17				
18	TOTAL Customer Service & Info Expenses	840,447	875,165	4.13%
19	Sales Expenses			
20	Operation			
21	911 Supervision			
22	912 Demonstrating & Selling Expenses			
23	913 Advertising Expenses			
24	916 Miscellaneous Sales Expenses			
25				
26				
27	TOTAL Sales Expenses			
28	Administrative & General Expenses			
29	Operation			
30	920 Administrative & General Salaries	6,626,091	3,814,996	-42.42%
31	921 Office Supplies & Expenses	879,859	238,882	-72.85%
32	922 (Less) Administrative Expenses Transferred - Cr.	(285,664)	(30,037)	89.49%
33	923 Outside Services Employed	984,889	3,141,413	218.96%
34	924 Property Insurance	309,317	499,524	61.49%
35	925 Injuries & Damages	969,334	506,389	-47.76%
36	926 Employee Pensions & Benefits	(593,436)	1,218,107	305.26%
37	927 Franchise Requirements			
38	928 Regulatory Commission Expenses	108,403	161,241	48.74%
39	929 (Less) Duplicate Charges - Cr.			
40	930.1 General Advertising Expenses	235,576	116,899	-50.38%
41	930.2 Miscellaneous General Expenses	1,695,835	144,681	-91.47%
42	931 Rents	17,023	16,704	-1.87%
43				
44				
45	TOTAL Operation - Admin. & General	10,947,227	9,828,799	-10.22%
46	Maintenance			
47	935 Maintenance of General Plant	225,250	212,683	-5.58%
48				
49	TOTAL Administrative & General Expenses	11,172,477	10,041,482	-10.12%
50				
51	TOTAL Operation & Maintenance Expenses	106,136,973	79,118,328	-25.46%

*Total Company Operation & Maintenance Expense

MONTANA TAXES OTHER THAN INCOME

Year: 2002

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes			
2	Superfund			
3	Secretary of State			
4	Montana Consumer Counsel			
5	Montana PSC	2,192	2,252	2.74%
6	Franchise Taxes			
7	Property Taxes	58,914	56,258	-4.51%
8	Tribal Taxes			
9	Montana Wholesale Energy Tax	2,035	1,943	-4.52%
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51	TOTAL MT Taxes Other Than Income	63,141	60,453	-4.26%

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES

Year: 2002

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	Amounts to Montana Are Not Significant				
2					
3					
4					
5					
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45					
46					
47					
48					
49					
50	TOTAL Payments for Services				

POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS Year: 2002

	Description	Total Company	Montana	% Montana
1	NONE			
2				
3				
4				
5				
6				
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48				
49				
50	TOTAL Contributions			

Pension Costs

Year: 2002

1	Plan Name			
2	Defined Benefit Plan? _____ Yes	Defined Contribution Plan? _____ No		
3	Actuarial Cost Method? Project Unit Cost Method	IRS Code: _____ 401(B)		
4	Annual Contribution by Employer: _____ \$0	Is the Plan Over Funded? _____ NO		
5				
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation			
7	Benefit obligation at beginning of year	33,150,798	34,453,955	3.93%
8	Service cost	588,382	719,457	22.28%
9	Interest Cost	2,405,741	2,564,738	6.61%
10	Plan participants' contributions			
11	Discount Rate Change	3,380,240		-100.00%
12	Actuarial (Gain) Loss	570,488	182,671	-67.98%
13	Acquisition	-	(2,836,565)	#DIV/0!
14	Benefits paid	(1,955,158)	(1,933,458)	1.11%
15	Benefit obligation at end of year	38,140,491	33,150,798	-13.08%
16	Change in Plan Assets			
17	Fair value of plan assets at beginning of year	32,937,581	47,993,280	45.71%
18	Actual return on plan assets	(5,152,819)	(11,132,904)	-116.05%
19	Acquisition	-	(1,989,337)	#DIV/0!
20	Employer contribution			
21	Plan participants' contributions	-	-	
22	Benefits paid	(1,955,158)	(1,933,458)	1.11%
23	Fair value of plan assets at end of year	25,829,604	32,937,581	27.52%
24	Funded Status	(12,310,887)	(213,217)	98.27%
25	Unrecognized net actuarial loss	17,074,650	4,721,436	-72.35%
26	Unrecognized prior service cost	1,253,350	1,437,470	14.69%
27	Prepaid (accrued) benefit cost	6,017,113	5,945,689	-1.19%
28				
29	Weighted-average Assumptions as of Year End			
30	Discount rate	7.50%	7.50%	
31	Expected return on plan assets	10.50%	10.50%	
32	Rate of compensation increase	5.00%	5.00%	
33				
34	Components of Net Periodic Benefit Costs			
35	Service cost	588,382	719,457	22.28%
36	Interest cost	2,405,741	2,564,738	6.61%
37	Expected return on plan assets	(3,345,649)	(4,928,393)	-47.31%
38	Amortization of prior service cost	184,120	199,353	8.27%
39	Recognized net actuarial loss	95,982	(453,254)	-572.23%
40	Net periodic benefit cost	(71,424)	(1,898,099)	-2557.51%
41				
42	Montana Intrastate Costs:			
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	Number of Company Employees:			
47	Covered by the Plan	766	729	-4.83%
48	Not Covered by the Plan	30	29	-3.33%
49	Active	447	419	-6.26%
50	Retired	155	154	-0.65%
51	Deferred Vested Terminated	134	127	-5.22%

Other Post Employment Benefits (OPEBS)

Year: 2002

Item	Current Year	Last Year	% Change
1 Regulatory Treatment:			
2 Commission authorized - most recent			
3 Docket number: _____			
4 Order number: _____			
5 Amount recovered through rates			
6 Weighted-average Assumptions as of Year End			
7 Discount rate	7.50%	7.50%	
8 Expected return on plan assets			
9 Medical Cost Inflation Rate	12.00%	8.00%	-33.33%
10 Actuarial Cost Method		Projected Unit Cost	
11 Rate of compensation increase	5.00%	5.00%	
12 List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:			
13			
14			
15 Describe any Changes to the Benefit Plan:			
16			
17 TOTAL COMPANY			
18 Change in Benefit Obligation			
19 Benefit obligation at beginning of year	3,428,514	3,054,649	-10.90%
20 Service cost	160,220	207,819	29.71%
21 Interest Cost	401,566	413,551	2.98%
22 Plan participants' contributions			
23 Amendments			
24 Actuarial Gain	(71,944)	6,030	108.38%
25 Acquisition			
26 Benefits paid	(154,171)	(253,535)	-64.45%
27 Benefit obligation at end of year	3,764,185	3,428,514	-8.92%
28 Change in Plan Assets			
29 Fair value of plan assets at beginning of year	-		
30 Actual return on plan assets			
31 Acquisition			
32 Employer contribution			
33 Plan participants' contributions	-		
34 Benefits paid	-		
35 Fair value of plan assets at end of year	-		
36 Funded Status			
37 Unrecognized net actuarial loss	(3,764,185)	(3,428,514)	8.92%
38 Unrecognized prior service cost			
39 Prepaid (accrued) benefit cost	(3,764,185)	(3,428,514)	8.92%
40 Components of Net Periodic Benefit Costs			
41 Service cost	160,220	207,819	29.71%
42 Interest cost	401,566	413,551	2.98%
43 Expected return on plan assets	-		
44 Amortization of prior service cost			
45 Recognized net actuarial loss	132,096	146,232	10.70%
46 Net periodic benefit cost	693,882	767,602	10.62%
47 Accumulated Post Retirement Benefit Obligation			
48 Amount Funded through VEBA			
49 Amount Funded through 401(h)			
50 Amount Funded through Other _____			
51 TOTAL	-		
52 Amount that was tax deductible - VEBA			
53 Amount that was tax deductible - 401(h)			
54 Amount that was tax deductible - Other _____			
55 TOTAL	-		

Other Post Employment Benefits (OPEBS) Continued

Year: 2002

	Item	Current Year	Last Year	% Change
1	Number of Company Employees:			
2	Covered by the Plan	665	514	-22.71%
3	Not Covered by the Plan			
4	Active	436	366	-16.06%
5	Retired	129	148	14.73%
6	Spouses/Dependants covered by the Plan	100		-100.00%
7	Montana			
8	Change in Benefit Obligation			
9	Benefit obligation at beginning of year			
10	Service cost			
11	Interest Cost			
12	Plan participants' contributions			
13	Amendments			
14	Actuarial Gain			
15	Acquisition			
16	Benefits paid			
17	Benefit obligation at end of year			
18	Change in Plan Assets			
19	Fair value of plan assets at beginning of year			
20	Actual return on plan assets			
21	Acquisition			
22	Employer contribution			
23	Plan participants' contributions			
24	Benefits paid			
25	Fair value of plan assets at end of year			
26	Funded Status			
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	Components of Net Periodic Benefit Costs			
31	Service cost			
32	Interest cost			
33	Expected return on plan assets			
34	Amortization of prior service cost			
35	Recognized net actuarial loss			
36	Net periodic benefit cost			
37	Accumulated Post Retirement Benefit Obligation			
38	Amount Funded through VEBA			
39	Amount Funded through 401(h)			
40	Amount Funded through other _____			
41	TOTAL			
42	Amount that was tax deductible - VEBA			
43	Amount that was tax deductible - 401(h)			
44	Amount that was tax deductible - Other			
45	TOTAL			
46	Montana Intrastate Costs:			
47	Pension Costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
50	Number of Montana Employees:			
51	Covered by the Plan			
52	Not Covered by the Plan			
53	Active			
54	Retired			
55	Spouses/Dependants covered by the Plan			

TOP TEN MONTANA COMPENSATED EMPLOYEES (ASSIGNED OR ALLOCATED)

Line No.	Name/Title	Base Salary	Bonuses	Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1	N/A						
2							
3							
4							
5							
6							
7							
8							
9							
10							

COMPENSATION OF TOP 5 CORPORATE EMPLOYEES - SEC INFORMATION

Line No.	Name/Title	Base Salary	Bonuses	Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1	Daniel P. Landguth Chairman and Chief Executive Officer of the Company and Subsidiaries	529,258	551,210	1,791,857	2,872,325	1,071,464	168%
2	Everett E. Hoyt President and Chief Operating Officer of the Company	345,346	282,150	482,707	1,110,203	587,878	89%
3	Thomas M. Ohlmacher President and Chief Operating Officer of Independent Energy	561,242	161,460	332,081	1,054,783	698,504	51%
4	Mark T. Thies Senior Vice President and Chief Financial Officer	240,635	168,000	64,928	473,563	415,776	14%
5	David R. Emery Vice-President Fuel Resources	179,671	150,743	101,422	431,836	414,913	4%

BALANCE SHEET

Year: 2002

	Account Number & Title	Last Year	This Year	% Change
1	Assets and Other Debits			
2	Utility Plant			
3	101 Electric Plant in Service	533,516,159	549,265,445	-3%
4	101.1 Property Under Capital Leases			
5	102 Electric Plant Purchased or Sold			
6	104 Electric Plant Leased to Others			
7	105 Electric Plant Held for Future Use			
8	106 Completed Constr. Not Classified - Electric	12,031,104	40,571,198	-70%
9	107 Construction Work in Progress - Electric	29,666,488	19,212,319	54%
10	108 (Less) Accumulated Depreciation	(195,061,812)	(210,221,698)	7%
11	111 (Less) Accumulated Amortization			
12	114 Electric Plant Acquisition Adjustments	4,870,308	4,870,308	
13	115 (Less) Accum. Amort. Elec. Acq. Adj.	(1,614,979)	(1,766,383)	9%
14	120 Nuclear Fuel (Net)			
15	TOTAL Utility Plant	383,407,268	401,931,189	-5%
16				
17	Other Property & Investments			
18	121 Nonutility Property	5,618	5,618	
19	122 (Less) Accum. Depr. & Amort. for Nonutil. Prop.	(3,956)	(3,956)	
20	123 Investments in Associated Companies			
21	123.1 Investments in Subsidiary Companies	38,105,862	44,142,222	-14%
22	124 Other Investments	3,894,712	2,681,314	45%
23	125 Sinking Funds			
24	TOTAL Other Property & Investments	42,002,236	46,825,198	-10%
25				
26	Current & Accrued Assets			
27	131 Cash	1,082,179	514,523	110%
28	132-134 Special Deposits			
29	135 Working Funds	3,300	3,325	-1%
30	136 Temporary Cash Investments			
31	141 Notes Receivable	278,447	270,496	3%
32	142 Customer Accounts Receivable	12,096,921	12,726,692	-5%
33	143 Other Accounts Receivable	482,166	4,276,148	-89%
34	144 (Less) Accum. Provision for Uncollectible Accts.	(867,575)	(881,643)	2%
35	145 Notes Receivable - Associated Companies	6,919,619	52,508,097	-87%
36	146 Accounts Receivable - Associated Companies	3,115,976	1,745,108	79%
37	151 Fuel Stock	1,488,098	2,063,934	-28%
38	152 Fuel Stock Expenses Undistributed			
39	153 Residuals			
40	154 Plant Materials and Operating Supplies	7,064,436	7,677,933	-8%
41	155 Merchandise			
42	156 Other Material & Supplies	130	120	8%
43	157 Nuclear Materials Held for Sale			
44	163 Stores Expense Undistributed	(1,055)		#DIV/0!
45	165 Prepayments	6,037,075		#DIV/0!
46	171 Interest & Dividends Receivable			
47	172 Rents Receivable			
48	173 Accrued Utility Revenues			
49	174 Miscellaneous Current & Accrued Assets			
50	TOTAL Current & Accrued Assets	37,699,717	80,904,733	-53%

BALANCE SHEET

Year: 2002

	Account Number & Title	Last Year	This Year	% Change
1				
2	Assets and Other Debits (cont.)			
3				
4	Deferred Debits			
5				
6	181 Unamortized Debt Expense	1,310,425	2,200,013	-40%
7	182.1 Extraordinary Property Losses			
8	182.2 Unrecovered Plant & Regulatory Study Costs			
9	183 Prelim. Survey & Investigation Charges	27,043		#DIV/0!
10	184 Clearing Accounts	2,743,757	126,130	2075%
11	185 Temporary Facilities			
12	186 Miscellaneous Deferred Debits	567,907	4,554,339	-88%
13	187 Deferred Losses from Disposition of Util. Plant			
14	188 Research, Devel. & Demonstration Expend.			
15	189 Unamortized Loss on Reacquired Debt	312,437	279,649	12%
16	190 Accumulated Deferred Income Taxes	10,858,173	14,962,961	-27%
17	TOTAL Deferred Debits	15,819,742	22,123,092	-28%
18				
19	TOTAL Assets & Other Debits	478,928,963	551,784,212	-13%
	Account Title	Last Year	This Year	% Change
20				
21	Liabilities and Other Credits			
22				
23	Proprietary Capital			
24	201 Common Stock Issued	23,416,396	23,416,396	
25	202 Common Stock Subscribed			
26	204 Preferred Stock Issued			
27	205 Preferred Stock Subscribed			
28	207 Premium on Capital Stock	83,462,756	83,462,756	
29	211 Miscellaneous Paid-In Capital			
30	213 (Less) Discount on Capital Stock			
31	214 (Less) Capital Stock Expense	(2,501,882)	(2,501,882)	
32	215 Appropriated Retained Earnings			
33	216 Unappropriated Retained Earnings	117,351,071	131,906,311	-11%
34	217 (Less) Reacquired Capital Stock			
35	219 Accumulated Other Comprehensive Income		(18,055,404)	100%
36	TOTAL Proprietary Capital	221,728,341	218,228,177	2%
37				
38	Long Term Debt			
39				
40	221 Bonds	130,316,277	187,298,236	-30%
41	222 (Less) Reacquired Bonds			
42	223 Advances from Associated Companies			
43	224 Other Long Term Debt	27,862,525	27,838,852	0%
44	225 Unamortized Premium on Long Term Debt			
45	226 (Less) Unamort. Discount on L-Term Debt-Dr.			
46	TOTAL Long Term Debt	158,178,802	215,137,088	-26%

BALANCE SHEET

Year: 2002

	Account Number & Title	Last Year	This Year	% Change
1				
2	Total Liabilities and Other Credits (cont.)			
3				
4	Other Noncurrent Liabilities			
5				
6	227 Obligations Under Cap. Leases - Noncurrent			
7	228.1 Accumulated Provision for Property Insurance			
8	228.2 Accumulated Provision for Injuries & Damages			
9	228.3 Accumulated Provision for Pensions & Benefits			
10	228.4 Accumulated Misc. Operating Provisions			
11	229 Accumulated Provision for Rate Refunds			
12	TOTAL Other Noncurrent Liabilities			
13				
14	Current & Accrued Liabilities			
15				
16	231 Notes Payable			
17	232 Accounts Payable	8,743,323	13,651,900	-36%
18	233 Notes Payable to Associated Companies		946	-100%
19	234 Accounts Payable to Associated Companies	1,646,888	2,584,334	-36%
20	235 Customer Deposits	458,145	441,320	4%
21	236 Taxes Accrued	8,308,422	6,425,453	29%
22	237 Interest Accrued	3,571,719	5,119,793	-30%
23	238 Dividends Declared			
24	239 Matured Long Term Debt			
25	240 Matured Interest			
26	241 Tax Collections Payable	452,975	559,893	-19%
27	242 Miscellaneous Current & Accrued Liabilities	6,700,944	4,029,873	66%
28	243 Obligations Under Capital Leases - Current			
29	TOTAL Current & Accrued Liabilities	29,882,416	32,813,512	-9%
30				
31	Deferred Credits			
32				
33	252 Customer Advances for Construction	1,155,309	1,568,359	-26%
34	253 Other Deferred Credits	13,677,257	18,651,132	-27%
35	255 Accumulated Deferred Investment Tax Credits	2,047,520	1,631,563	25%
36	256 Deferred Gains from Disposition Of Util. Plant			
37	257 Unamortized Gain on Reacquired Debt			
38	281-283 Accumulated Deferred Income Taxes	52,259,318	63,754,381	-18%
39	TOTAL Deferred Credits	69,139,404	85,605,435	-19%
40				
41	TOTAL LIABILITIES & OTHER CREDITS	478,928,963	551,784,212	-13%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2002

	Account Number & Title	Last Year	This Year	% Change
1				
2	Intangible Plant			
3				
4	301 Organization			
5	302 Franchises & Consents			
6	303 Miscellaneous Intangible Plant			
7				
8	TOTAL Intangible Plant			
9				
10	Production Plant			
11				
12	Steam Production			
13				
14	310 Land & Land Rights			
15	311 Structures & Improvements			
16	312 Boiler Plant Equipment			
17	313 Engines & Engine Driven Generators			
18	314 Turbogenerator Units			
19	315 Accessory Electric Equipment			
20	316 Miscellaneous Power Plant Equipment			
21				
22	TOTAL Steam Production Plant			
23				
24	Nuclear Production			
25				
26	320 Land & Land Rights			
27	321 Structures & Improvements			
28	322 Reactor Plant Equipment			
29	323 Turbogenerator Units			
30	324 Accessory Electric Equipment			
31	325 Miscellaneous Power Plant Equipment			
32				
33	TOTAL Nuclear Production Plant			
34				
35	Hydraulic Production			
36				
37	330 Land & Land Rights			
38	331 Structures & Improvements			
39	332 Reservoirs, Dams & Waterways			
40	333 Water Wheels, Turbines & Generators			
41	334 Accessory Electric Equipment			
42	335 Miscellaneous Power Plant Equipment			
43	336 Roads, Railroads & Bridges			
44				
45	TOTAL Hydraulic Production Plant			

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2002

	Account Number & Title	Last Year	This Year	% Change
1				
2	Production Plant (cont.)			
3				
4	Other Production			
5				
6	340 Land & Land Rights			
7	341 Structures & Improvements			
8	342 Fuel Holders, Producers & Accessories			
9	343 Prime Movers			
10	344 Generators			
11	345 Accessory Electric Equipment			
12	346 Miscellaneous Power Plant Equipment			
13				
14	TOTAL Other Production Plant			
15				
16	TOTAL Production Plant			
17				
18	Transmission Plant			
19				
20	350 Land & Land Rights	20,312	20,312	
21	352 Structures & Improvements			
22	353 Station Equipment			
23	354 Towers & Fixtures			
24	355 Poles & Fixtures	244,889	246,308	-1%
25	356 Overhead Conductors & Devices	300,275	300,275	0%
26	357 Underground Conduit			
27	358 Underground Conductors & Devices			
28	359 Roads & Trails			
29				
30	TOTAL Transmission Plant	565,475	566,895	0%
31				
32	Distribution Plant			
33				
34	360 Land & Land Rights	5,992	5,992	
35	361 Structures & Improvements	5,970	5,970	
36	362 Station Equipment	414,828	410,916	1%
37	363 Storage Battery Equipment			
38	364 Poles, Towers & Fixtures	120,937	120,717	0%
39	365 Overhead Conductors & Devices	109,732	109,732	
40	366 Underground Conduit	909	909	
41	367 Underground Conductors & Devices	15,834	15,834	
42	368 Line Transformers	37,009	42,704	-13%
43	369 Services	3,367	3,367	
44	370 Meters	6,278	6,278	
45	371 Installations on Customers' Premises			
46	372 Leased Property on Customers' Premises			
47	373 Street Lighting & Signal Systems			
48				
49	TOTAL Distribution Plant	720,856	722,419	

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 2002

	Account Number & Title	Last Year	This Year	% Change
1				
2	General Plant			
3				
4	389 Land & Land Rights			
5	390 Structures & Improvements			
6	391 Office Furniture & Equipment			
7	392 Transportation Equipment			
8	393 Stores Equipment			
9	394 Tools, Shop & Garage Equipment			
10	395 Laboratory Equipment			
11	396 Power Operated Equipment			
12	397 Communication Equipment	14,732	14,732	
13	398 Miscellaneous Equipment			
14	399 Other Tangible Property			
15				
16	TOTAL General Plant	14,732	14,732	
17				
18	TOTAL Electric Plant in Service	1,301,063	1,304,046	

MONTANA DEPRECIATION SUMMARY

Year: 2002

	Functional Plant Classification	Plant Cost	Accumulated Depreciation		Current Avg. Rate
			Last Year Bal.	This Year Bal.	
1					
2	Steam Production				
3	Nuclear Production				
4	Hydraulic Production				
5	Other Production				
6	Transmission	566,895	188,152	189,722	2.12%
7	Distribution	722,419	231,937	237,780	2.78%
8	General	14,732	5,686	5,935	7.18%
9	TOTAL	1,304,046	425,776	433,437	0

MONTANA MATERIALS & SUPPLIES (ASSIGNED & ALLOCATED)

SCHEDULE 21

	Account	Last Year Bal.	This Year Bal.	%Change
1				
2	151 Fuel Stock	N/A		#VALUE!
3	152 Fuel Stock Expenses Undistributed			
4	153 Residuals			
5	154 Plant Materials & Operating Supplies:			
6	Assigned to Construction (Estimated)			
7	Assigned to Operations & Maintenance			
8	Production Plant (Estimated)			
9	Transmission Plant (Estimated)			
10	Distribution Plant (Estimated)			
11	Assigned to Other			
12	155 Merchandise			
13	156 Other Materials & Supplies			
14	157 Nuclear Materials Held for Sale			
15	163 Stores Expense Undistributed			
16				
17	TOTAL Materials & Supplies			

MONTANA REGULATORY CAPITAL STRUCTURE & COSTS

SCHEDULE 22

	Commission Accepted - Most Recent	% Cap. Str.	% Cost Rate	Weighted Cost
1	Docket Number 83.4.25			
2	Order Number 4988			
3				
4	Common Equity	52.83%	15.00%	7.92%
5	Preferred Stock	11.96%	9.03%	1.08%
6	Long Term Debt	35.21%	7.75%	2.73%
7	Other			
8	TOTAL	100.00%		11.73%
9				
10	Actual at Year End			
11				
12	Common Equity	50.36%		
13	Preferred Stock			
14	Long Term Debt	49.64%		
15	Other			
16	TOTAL	100.00%		

STATEMENT OF CASH FLOWS

Year: 2002

	Description	Last Year	This Year	% Change
1				
2	Increase/(decrease) in Cash & Cash Equivalents:			
3				
4	Cash Flows from Operating Activities:			
5	Net Income	48,106,855	41,177,359	17%
6	Depreciation	15,621,647	17,347,576	-10%
7	Amortization	151,404	151,404	
8	Deferred Income Taxes - Net	1,057,840	4,804,928	-78%
9	Investment Tax Credit Adjustments - Net	(482,770)	(415,957)	-16%
10	Change in Operating Receivables - Net	322,468	(3,030,866)	111%
11	Change in Materials, Supplies & Inventories - Net	671,213	(1,190,378)	156%
12	Change in Operating Payables & Accrued Liabilities - Net	2,067,912	2,931,096	-29%
13	Allowance for Funds Used During Construction (AFUDC)	(403,100)	(571,542)	29%
14	Change in Other Assets & Liabilities - Net	13,652,641	3,725,090	267%
15	Other Operating Activities (explained on attached page)	(2,868,448)	(10,960,803)	74%
16	Net Cash Provided by/(Used in) Operating Activities	77,897,662	53,967,907	44%
17				
18	Cash Inflows/Outflows From Investment Activities:			
19	Construction/Acquisition of Property, Plant and Equipment	(40,909,632)	(35,981,400)	-14%
20	(net of AFUDC & Capital Lease Related Acquisitions)			
21	Acquisition of Other Noncurrent Assets			
22	Proceeds from Disposal of Noncurrent Assets			
23	Investments In and Advances to Affiliates	80,914,993	(45,588,478)	277%
24	Contributions and Advances from Affiliates			
25	Disposition of Investments in and Advances to Affiliates			
26	Other Investing Activities (explained on attached page)		1,221,968	-100%
27	Net Cash Provided by/(Used in) Investing Activities	40,005,361	(80,347,910)	150%
28				
29	Cash Flows from Financing Activities:			
30	Proceeds from Issuance of:			
31	Long-Term Debt		75,000,000	-100%
32	Preferred Stock			
33	Common Stock			
34	Other:			
35	Net Increase in Short-Term Debt	(86,000,000)		#DIV/0!
36	Other:			
37	Payment for Retirement of:			
38	Long-Term Debt	(3,577,886)	(18,041,714)	80%
39	Preferred Stock			
40	Common Stock			
41	Other:			
42	Net Decrease in Short-Term Debt			
43	Dividends on Preferred Stock			
44	Dividends on Common Stock	(29,194,658)	(31,145,914)	6%
45	Other Financing Activities (explained on attached page)			
46	Net Cash Provided by (Used in) Financing Activities	(118,772,544)	25,812,372	-560%
47				
48	Net Increase/(Decrease) in Cash and Cash Equivalents	(869,521)	(567,631)	-53%
49	Cash and Cash Equivalents at Beginning of Year	1,955,000	1,085,479	80%
50	Cash and Cash Equivalents at End of Year	1,085,479	517,848	110%

LONG TERM DEBT

Year: 2002

	Description	Issue Date Mo./Yr.	Maturity Date Mo./Yr.	Principal Amount	Net Proceeds	Outstanding Per Balance Sheet	Yield to Maturity	Annual Net Cost Inc. Prem/Disc.	Total Cost %
1	Series								
2									
3	Y	Jun-88	Jun-18	6,000,000	5,906,578	4,550,000	9.64%	447,128	9.83%
4	Z	May-91	May-21	35,000,000	34,790,305	31,635,000	9.41%	3,029,994	9.58%
5	AA	Jun-91	Sep-03	13,806,000	13,656,287	1,113,236	9.10%	152,222	13.67%
6	AB	Sep-94	Sep-24	45,000,000	44,243,911	45,000,000	8.44%	3,760,165	8.36%
7	AC	Feb-95	Feb-10	30,000,000	29,766,300	30,000,000	8.12%	2,420,782	8.07%
8	AD	Jul-95	Jul-02	15,000,000	14,850,666			538,791	
9	AE	Aug-02	Aug-32	75,000,000	74,008,936	75,000,000	7.23%	2,064,548	2.75%
10									
11	1992 Pollution Control								
12	Revenue Bonds:								
13	Lawrence County SD	Jun-92	Jun-10	5,850,000	5,753,590	5,850,000	6.81%	397,383	6.79%
14	Pennington County SD	Jun-92	Jun-10	2,050,000	1,969,993	2,050,000	6.97%	141,526	6.90%
15	Campbell County WY	Jun-92	Jun-10	1,550,000	1,473,355	1,550,000	7.05%	108,334	6.99%
16	Weston County WY	Jun-92	Jun-10	2,850,000	2,770,414	2,850,000	6.89%	195,505	6.86%
17									
18									
19	1994A Environ Improv B.	Jun-94	Jun-24	3,000,000	2,930,057	2,855,000	4.35%	63,193	2.21%
20	1994 A Construction Fund								
21	1994 Gillette Refund Bond	Jul-94	Jun-24	12,200,000	11,888,427	12,200,000	7.70%	924,750	7.58%
22									
23	Bear Paw Energy Note Payable	Jun-00	May-12	1,078,000	1,078,000	483,852	13.70%	68,031	14.06%
24									
25									
26									
27									
28									
29									
30									
31									
32	TOTAL			248,384,000	245,086,819	215,137,088		14,312,352	6.65%

PREFERRED STOCK

Year: 2002

	Series	Issue Date Mo./Yr.	Shares Issued	Par Value	Call Price	Net Proceeds	Cost of Money	Principal Outstanding	Annual Cost	Embed. Cost %
1	NONE									
2										
3										
4										
5										
6										
7										
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11										
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30										
31										
32	TOTAL									

COMMON STOCK

Year: 2002

		Avg. Number of Shares Outstanding	Book Value Per Share	Earnings Per Share	Dividends Per Share	Retention Ratio	Market Price High	Market Price Low	Price/ Earnings Ratio
	1	100% of common stock privately held by the Parent Company Black Hills Corp.							
	2								
	3								
	4								
	5								
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	27								
	28								
	29								
	30								
	31								
	32	TOTAL Year End							

MONTANA EARNED RATE OF RETURN

Year: 2002

	Description	Last Year	This Year	% Change
1	Rate Base			
2	101 Plant in Service			
3	108 (Less) Accumulated Depreciation			
4	NET Plant in Service			
5				
6	Additions			
7	154, 156 Materials & Supplies			
8	165 Prepayments			
9	Other Additions			
10	TOTAL Additions			
11				
12	Deductions			
13	190 Accumulated Deferred Income Taxes			
14	252 Customer Advances for Construction			
15	255 Accumulated Def. Investment Tax Credits			
16	Other Deductions			
17	TOTAL Deductions			
18	TOTAL Rate Base			
19				
20	Net Earnings			
21				
22	Rate of Return on Average Rate Base			
23				
24	Rate of Return on Average Equity			
25				
26	Major Normalizing Adjustments & Commission			
27	Ratemaking adjustments to Utility Operations			
28				
29	NOTE: This schedule is not completed because			
30	Montana revenues represent less than 1%			
31	of the Company's revenues.			
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47	Adjusted Rate of Return on Average Rate Base			
48				
49	Adjusted Rate of Return on Average Equity			

MONTANA COMPOSITE STATISTICS

Year: 2002

	Description	Amount
1		
2	Plant (Intrastate Only) (000 Omitted)	
3		
4	101 Plant in Service	1,304
5	107 Construction Work in Progress	
6	114 Plant Acquisition Adjustments	
7	105 Plant Held for Future Use	
8	154, 156 Materials & Supplies	
9	(Less):	
10	108, 111 Depreciation & Amortization Reserves	(433)
11	252 Contributions in Aid of Construction	
12		
13	NET BOOK COSTS	871
14		
15	Revenues & Expenses (000 Omitted)	
16		
17	400 Operating Revenues	596
18		
19	403 - 407 Depreciation & Amortization Expenses	
20	Federal & State Income Taxes	
21	Other Taxes	
22	Other Operating Expenses	
23	TOTAL Operating Expenses	
24		
25	Net Operating Income	596
26		
27	415-421.1 Other Income	
28	421.2-426.5 Other Deductions	
29		
30	NET INCOME	596
31		
32	Customers (Intrastate Only)	
33		
34	Year End Average:	
35	Residential	11
36	Commercial	19
37	Industrial	2
38	Other	
39		
40	TOTAL NUMBER OF CUSTOMERS	32
41		
42	Other Statistics (Intrastate Only)	
43		
44	Average Annual Residential Use (Kwh))	6,796
45	Average Annual Residential Cost per (Kwh) (Cents) *	7.01
46	* Avg annual cost = [(cost per Kwh x annual use) + (mo. svc chrg x 12)]/annual use	
47	Average Residential Monthly Bill	40
48	Gross Plant per Customer	40,751

MONTANA CUSTOMER INFORMATION

Year: 2002

	City/Town	Population (Include Rural)	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1	Carter and Powder River Counties		11	19	2	32
2						
3						
4						
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30						
31						
32	TOTAL Montana Customers		11	19	2	32

MONTANA EMPLOYEE COUNTS

Year: 2002

	Department	Year Beginning	Year End	Average
1	N/A			
2				
3				
4				
5				
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48				
49				
50	TOTAL Montana Employees			

MONTANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED)

Year: 2002

	Project Description	Total Company	Total Montana
1	N/A		
2			
3			
4			
5			
6			
7			
8			
9			
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49			
50	TOTAL		

TOTAL SYSTEM & MONTANA PEAK AND ENERGY

Year: 2002

System

		Peak Day of Month	Peak Hour	Peak Day Volumes Megawatts	Total Monthly Volumes Energy (Mwh)	Non-Requirements Sales For Resale (Mwh)
1	Jan.	2	900	314	228,430	45,684
2	Feb.	25	1900	319	209,388	50,759
3	Mar.	8	1900	316	243,264	64,469
4	Apr.	2	1900	290	225,861	71,143
5	May	30	1400	284	211,045	60,494
6	Jun.	28	1500	361	261,506	78,377
7	Jul.	15	1700	387	341,988	137,909
8	Aug.	6	1700	364	263,669	85,628
9	Sep.	5	1500	333	248,398	94,222
10	Oct.	29	1800	304	272,492	109,454
11	Nov.	25	1800	314	253,334	91,043
12	Dec.	4	1800	316	268,843	90,495
13	TOTAL				3,028,218	979,677

Montana

		Peak Day of Month	Peak Hour	Peak Day Volumes Megawatts	Total Monthly Volumes Energy (Mwh)	Non-Requirements Sales For Resale (Mwh)
14	Jan.					
15	Feb.	*Peak information maintained on a total system basis only.				
16	Mar.					
17	Apr.					
18	May					
19	Jun.					
20	Jul.					
21	Aug.					
22	Sep.					
23	Oct.					
24	Nov.					
25	Dec.					
26	TOTAL					

TOTAL SYSTEM Sources & Disposition of Energy

SCHEDULE 33

	Sources	Megawatthours	Disposition	Megawatthours
1	Generation (Net of Station Use)			
2	Steam	1,847,129	Sales to Ultimate Consumers (Include Interdepartmental)	1,515,636
3	Nuclear			
4	Hydro - Conventional		Requirements Sales for Resale	450,426
5	Hydro - Pumped Storage			
6	Other	228,124	Non-Requirements Sales for Resale	979,677
7	(Less) Energy for Pumping			
8	NET Generation	2,075,253		
9	Purchases	943,658		
10	Power Exchanges			
11	Received	26,886	Energy Furnished Without Charge	
12	Delivered	(24,548)		
13	NET Exchanges	2,338	Energy Used Within Electric Utility	7,760
14	Transmission Wheeling for Others			
15	Received	1,950,384	Total Energy Losses	74,719
16	Delivered	(1,943,415)		
17	NET Transmission Wheeling	6,969		
18	Transmission by Others Losses			
19	TOTAL	3,028,218	TOTAL	3,028,218

SOURCES OF ELECTRIC SUPPLY

Year: 2002

	Type	Plant Name	Location	Annual Peak (MW)	Annual Energy (Mwh)
1	Thermal	Ben French	Rapid City, SD	98	19,070
2					
3	Thermal	Ben French	Rapid City, SD	10	107
4					
5	Thermal	Ben French	Rapid City, SD	24	154,147
6					
7	Thermal	Osage	Osage, WY	35	241,880
8					
9	Thermal	Wyodak	Gillette, WY	69	571,743
10					
11	Thermal	Neil Simpson Compl	Gillette, WY	112	879,357
12					
13	Thermal	Neil Simpson Compl	Gillette, WY	39	144,251
14					
15	Thermal	Lange	Rapid City, SD	39	64,757
16					
17	Purchases	See Schedule 33			943,658
18					
19	Wheeling	See Schedule 33			6,969
20					
21	Total Interchange	See Schedule 33			2,338
22					
23					
24					
25					
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48					
49	Total			426	3,028,277

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 2002

	Program Description	Current Year Expenditures	Last Year Expenditures	% Change	Planned Savings (MW & MWH)	Achieved Savings (MW & MWH)	Difference (MW & MWH)
1	N/A						
2							
3							
4							
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31							
32	TOTAL						

MONTANA CONSUMPTION AND REVENUES

Year: 2002

	Sales of Electricity	Operating Revenues		MegaWatt Hours Sold		Avg. No. of Customers	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Residential	\$5,243	\$5,180	75	69	11	11
2	Commercial - Small	18,104	18,550	183	166	19	20
3	Commercial - Large	572,611	622,802	12,817	13,225	2	2
4	Industrial - Small						
5	Industrial - Large						
6	Interruptible Industrial						
7	Public Street & Highway Lighting						
8	Other Sales to Public Authorities						
9	Sales to Cooperatives						
10	Sales to Other Utilities						
11	Interdepartmental						
12							
13	TOTAL	\$595,958	\$646,532	13,075	13,460	32	33